Written Comments for DFC’s Public Hearing of June 9, 2021

Date: June 2, 2021

Attention: Catherine F.I. Andrade
DFC Corporate Secretary

From: Coordinadora Ciudadana No Alto Maipo, Ecosistemas, and the Center for International Environmental Law (CIEL)

Re: Ongoing concerns related to OPIC/DFC investment in Chile’s Alto Maipo Hydroelectric Project

We write to express our ongoing concern about the $245 million investment made in 2014, with an additional $5 million authorized in 2017, in the Alto Maipo Hydroelectric Project, located in Chile. This project was screened as Category A because its potential impacts are “diverse and potentially irreversible.” This project presents serious financial concerns and raises questions about due diligence procedures, particularly in relation to environmental and social issues.

We refer your attention to the written and oral submissions that we presented regarding this matter on the occasion of the Public Hearings held by OPIC on June 7, 2017; September 6, 2017; and June 5, 2019. While DFC and its predecessor have already been informed of our principal concerns regarding the Alto Maipo Project, we will briefly summarize them below and provide additional updates regarding the project. We will then address the Audit Report that was issued by the Office of Inspector General at USAID in February 2019, as well as the findings of the Compliance Investigation regarding this project that were published in July 2020 by the MICI, the accountability mechanism of the Inter-American Development Bank. We conclude with a discussion of the heightened international scrutiny that the project has received since early 2020 due to its impacts on human rights.
I. Overview of concerns and recent developments regarding the Alto Maipo Project

Construction continues on the Alto Maipo Hydroelectric Project, a large-scale hydroelectric project located approximately 50 kilometers southeast of the Chilean capital of Santiago. Although it is described as a run-of-the-river project, Alto Maipo’s impacts will be immense, far outstripping those associated with typical hydroelectric projects of this type. In this case, the project will reroute some 100 kilometers of the three main tributaries of the Maipo River through approximately 70 kilometers of tunnels bored in the Andes Mountains.

This massive intervention in the Maipo River basin will not only affect access to water for those who live in the Maipo River Valley, but it is also expected to impact the drinking water supply for Santiago’s Metropolitan Region, home to more than 7 million people. It is further foreseen that the project will prevent the recharge of underground aquifers, exacerbate the ongoing situation of water scarcity in the region, and undermine local economies linked to agriculture and tourism, which depend on the Maipo River and its tributaries.

For many years, members of the communities affected by the Alto Maipo Project have consistently warned that the project would accelerate ecological degradation and exacerbate the increased fragility of the entire Maipo River basin,¹ which is already undergoing a process of desertification in the broader context of climate change. Unfortunately, these predictions have been proven correct. For example, earlier this year heavy rains provoked flash flooding that the degraded environment in the Maipo River watershed could not absorb. The resulting landslides destroyed

dozens of homes and forced hundreds of residents in the Maipo River Valley to urgently evacuate the area.²

Moreover, the situation caused by the COVID-19 pandemic has put into stark relief a number of contradictions associated with the Chilean Government’s handling of the Alto Maipo Hydroelectric Project. Even as curfews have been imposed and other measures restricting movement and economic activity have been adopted in the context of the pandemic, construction has continued on the Alto Maipo project. Residents of the Maipo River Valley have especially expressed the concern that Alto Maipo’s workers—who are not from the area—have continued to pass through the surrounding communities on a daily basis, thus increasing the risk of contagion for local residents.

II. Audit Report of the Office of Inspector General, USAID

As CIEL observed during OPIC’s Public Hearing in June 2019, the Office of Inspector General (OIG) at the U.S. Agency for International Development published the final report on its audit of OPIC’s Chile energy sector portfolio in February 2019. This audit report concluded that OPIC’s Chile energy portfolio suffered from management gaps associated with insufficient data collection about its projects, as well as inadequate processes and controls for managing and monitoring OPIC-backed projects.³ A number of the recommendations presented by OIG in this report sought to address shortcomings related to OPIC’s due diligence and monitoring procedures in the context of its Chile energy portfolio, such as recommendations to “[r]evamp the development impact profile process to sufficiently capture and assess projects’ projected and actual effects, and report reliable data to

Congress” (Recommendation 2), “[i]mplement a performance management framework that […] enables OPIC to fully capture its goals and report on progress” (Recommendation 5), and “[i]mplement a process with a sound methodology for validating data provided by borrowers in the self-monitoring questionnaire” (Recommendation 6), among others.4

At the time, OPIC responded to the recommendations of the audit report by referring to the BUILD Act of 2018 and stating that “because its functions [would] be transferred to DFC, it [would] delay consideration of [the OIG’s] recommendations until it engages in the process of creating policies and procedures for DFC.”5 CIEL acknowledges that a number of the OIG’s recommendations were similar to certain provisions of the Build Act6 and welcomes efforts to improve assessment and monitoring procedures. At the same time, we reiterate that this response by OPIC has done nothing to address the environmental and social problems that have long been associated with the Alto Maipo Hydroelectric Project in Chile, and we confirm that these problems continue to negatively affect communities in the areas around the Maipo River valley and its tributaries to this day. We would thus recall OIG’s concern: “[u]ntil OPIC –in conjunction with its board of directors– improves its processes for assessing projects, establishes a rigorous performance management framework, and strengthens oversight mechanisms, it will lack reasonable assurance that its actions prioritize achieving results in the economic and social development of countries and advancing U.S. foreign policy over expanding its portfolio worldwide”.7

Now that the DFC has been duly established in accordance with the BUILD Act, we respectfully reiterate our request for information regarding the specific steps that the DFC has taken or plans to

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4 Id. at p. 24.
5 Id. at p. 26.
6 Id. at Table 10, pp. 26-27.
7 Id. at p. 23.
take at the present time to address the ramifications of such shortcomings in the context of the Alto Maipo Project, including the numerous associated environmental and social problems, which our respective groups have repeatedly raised before this institution and its predecessor.

III. Compliance Investigation on the Alto Maipo Project, conducted by the Independent Consultation and Investigation Mechanism (MICI) of the Inter-American Development Bank

Following from a complaint that was filed by our respective organizations in 2017, the MICI—the accountability mechanism of the Inter-American Development Bank—issued its compliance review report regarding this project in July 2020. Significantly, the report explicitly acknowledges that the Alto Maipo project has undergone substantive changes from when it was originally assessed in 2009, including as measured in terms of the number of workers required for the project, which more than doubled from the original estimates of 2,500 workers to exceed 5,000 workers in reality.8 Similarly, at the time of publication of the MICI’s report, the originally estimated timeline of five years for the construction stage of the project had been extended to nine years. In its compliance review, the MICI identified that the IDB did not comply with its own operational policies as relates to worker migration, gender, air quality, traffic impacts, and consultation, among other factors.9 Currently, the MICI is preparing a monitoring plan to ensure proper implementation of the IDB’s action plan, which is aimed at addressing such issues.

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8 In its compliance review report, the MICI determined in this regard that “the Bank did not request an assessment of whether this material alteration of the circumstances would create impacts other than, or different from, those initially envisaged and require the established mitigation measures to be modified or adjusted.”
9 For more information, see Center for International Environmental Law, IDB Mechanism Finds in Favor of Claimants who Filed Case about Chile’s Alto Maipo Hydroelectric Project, July 6, 2020, available at: https://www.ciel.org/news/idb-mechanism-finds-in-favor-of-claimants-who-filed-case-about-chiles-alto-maipo-hydroelectric-project/.
At this time, CIEL recalls that our respective organizations had filed an additional complaint at the CAO, the accountability mechanism of the International Finance Corporation, in 2017. The CAO has also undertaken a compliance investigation regarding the Alto Maipo Project, and its compliance report is forthcoming.

IV. International scrutiny of the Alto Maipo Hydroelectric Project

a) UN Committee on Economic, Social, and Cultural Rights

CIEL draws the DFC’s attention to the inclusion of the Alto Maipo Hydroelectric Project as one of the items that will receive specific scrutiny by the United Nations Committee on Economic, Social, and Cultural Rights during its fifth periodic review of Chile. In its “List of Issues” to be covered during this review, originally published in early 2020, the Committee questioned the Chilean Government about Alto Maipo’s compatibility not only with economic, social, and cultural rights, but also with the climate change goals established under the Paris Agreement.10 The deadline for the Chilean Government to respond to the Committee’s inquiries in its fifth periodic report under Article 16 of the International Covenant on Economic, Social and Cultural Rights is June 30, 2021.

b) UN Special Procedures request clarification and action from DFC

CIEL notes that the United Nations Special Rapporteur on the human rights to safe drinking water and sanitation similarly drew attention to the Alto Maipo Hydroelectric Project in August 2020, when he publicly called on the Chilean Government not to prioritize “electricity generation over the

rights to health and water of its people”. In addition, the Special Rapporteur noted that the Alto Maipo project could put Chile’s water supply at risk and emphasized that this situation is particularly concerning in light of the ongoing COVID-19 pandemic.

CIEL further recalls the official communication, dated August 18, 2020, that was sent in this regard to DFC’s then-CEO, Adam Boehler, by the following United Nations mandates:

- The UN Special Rapporteur on the human rights to safe drinking water and sanitation;
- The UN Working Group on the issue of human rights and transnational corporations and other business enterprises;
- The UN Special Rapporteur on the right to development;
- The UN Special Rapporteur on the issue of human rights obligations relating to the enjoyment of a safe, clean, healthy and sustainable environment; and
- The UN Special Rapporteur on the right to food.

This communication expressed “concern that the Alto Maipo Hydroelectric Project would be negatively affecting the availability of water for human consumption and domestic use in the affected areas, in contexts already characterized by climate change and water scarcity”. It noted that possible impacts of this project include the exacerbation of the effects of climate change, including the severe droughts seen in Chile in recent years, given that the Maipo River basin plays a protective role in regulating the local climate. Further, the communication recognized that “[t]he fact that the Alto Maipo Hydroelectric Project is being carried out without the proper participation of the affected communities, and with significant damage to biodiversity and the environment, could also result in the violation of multiple human rights.” Noting the legal obligation of development finance institutions to ensure that their actions are consistent with international human rights law, the United Nations mandate holders who endorsed this communication requested that the DFC provide

clarification about the steps that it has taken at all stages of project development to avoid negative impacts on the human right to water. As of late May, 2021, no response from the DFC had been recorded on the corresponding website of the UN Office of the High Commissioner for Human Rights.12

Similar communications were simultaneously sent to the Chilean Government and to six other banks involved in the financing of the Alto Maipo Hydroelectric Project. We note the timely responses submitted by the Government of Chile, as well as by KfW IPEX-Bank and DNB Bank, and we call on the DFC to similarly provide a response with clarification about the measures it has taken to avoid negative impacts on human rights in the context of the Alto Maipo project, as well as the requested information about, inter alia, its human rights due diligence policies and processes, the specific due diligence measures taken before deciding to finance Alto Maipo, the measures that DFC plans to take “to prevent recurrence of such disasters in the future.” In addition, CIEL urges the DFC to undertake a thorough review of the principles and procedures laid out in the Annex to the communication (pp. 6-9), in order to determine the ways in which the DFC may need to establish or strengthen its policies and practices in order to bring the institution’s activities in line with these principles, as well as with its international human rights obligations as an entity of the United States Government.

The communication is included as an attachment to the present submission for ease of reference.

V. Additional Requests and Recommendations

A. Regarding the Alto Maipo hydroelectric project:

- Use the tools at DFC’s disposal to raise concerns with AES Andes (formerly AES Gener) regarding the state of operations at the Alto Maipo Project.

- Provide clarification about the steps that DFC has taken at all stages of project development to avoid negative impacts on the human right to water.

- Provide clarification about the measures DFC has taken to avoid negative impacts on human rights of the people in the Maipo region in the context of the Alto Maipo project.

B. Regarding DFC operations

- DFC should review procedures to ensure more active due diligence of project developers’ capacities and/or willingness to carry out meaningful assessments,

- DFC should review stakeholder engagement procedures with affected communities to ensure proper disclosure of information and meaningful public participation processes are performed,

- DFC must refrain from investing in or refinancing any project in the absence of a comprehensive, inclusive, and up-to-date environmental and social impact assessment that includes its climate impact, an analysis of contextual risk and the legality of the project developers’ actions in-country.

- Finally, we request information regarding the specific steps that the DFC has taken or plans to take to address the recommendations of OIG’s Audit as a result of the transition and development of policies and procedures to ensure consistency with the BUILD Act.

Carla García Zendejas
Center for International Environmental Law
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Mandates of the Special Rapporteur on the human rights to safe drinking water and sanitation; the Working Group on the issue of human rights and transnational corporations and other business enterprises; the Special Rapporteur on the right to development; the Special Rapporteur on the issue of human rights obligations relating to the enjoyment of a safe, clean, healthy and sustainable environment; the Special Rapporteur on the right to food

REFERENCE:
A/OTH 58/2020

18 August 2020

Mr. Adam Boehler,

We have the honour to address you in our capacities as Special Rapporteur on the human rights to safe drinking water and sanitation; Working Group on the issue of human rights and transnational corporations and other business enterprises; Special Rapporteur on the right to development; Special Rapporteur on the issue of human rights obligations relating to the enjoyment of a safe, clean, healthy and sustainable environment; Special Rapporteur on the right to food, pursuant to Human Rights Council resolutions 42/5, 35/7, 42/23, 37/8 and 32/8.

We are independent human rights experts mandated by the United Nations Human Rights Council to report and advise on human rights issues from a thematic or country perspective. We are sending this letter under the communications procedure of the special procedures of the United Nations Human Rights Council to seek clarification of the information we have received. The Special Procedures mechanisms can intervene directly with Governments and other stakeholders, including companies, regarding allegations of human rights abuses within their mandates through urgent appeals, letters of allegation and other communications. The intervention may relate to a human rights violation that has already occurred, is ongoing or is at high risk of occurring. The process involves sending a communication to the actors concerned outlining the facts of the allegation, the applicable international human rights norms and standards, the concerns and questions of the mandate-holders and a request for follow-up action. Communications may concern individual cases, general patterns and trends of human rights violations, cases affecting a particular group or community, or the content of existing draft legislation or laws, policies or practices that are considered not to be fully compatible with international human rights standards.

In this context, we would like to draw your urgent attention to the information we have received regarding possible violations of the right to water in relation to the run-of-river hydropower plant in Alto Maipo, in Cordillera Province.

According to the information received:

The Alto Maipo Hydroelectric Project is a mega-project financed, among others, by the Inter-American Development Bank and the International Finance Corporation (an entity of the World Bank Group) currently under development. It is a run-of-river plant, which produces electricity using the flow of a river without
building a dam. The project consists of diverting the three main tributaries of the Maipo River for more than 100 kilometers, through tunnels measuring more than 67 kilometers along the Andes Mountains.

The project is located 50 km southeast of Santiago de Chile, and will have an installed capacity of 531 MW and an estimated production of more than 2,100 GWh per year. To date, the project has been financed by two multilateral banks, the Inter-American Development Bank and the International Finance Corporation (a member of the World Bank Group), the Overseas Private Investment Corporation, known since December 2019 as the U.S. International Development Finance Corporation, as well as Itaú-CorpBanca, Banco de Crédito e Inversiones de Chile, Banco del Estado de Chile, KfW Ipex-Bank and DNB Bank ASA.

Environmental and human rights organizations opposing the project estimate serious negative impacts on access to water, agriculture, tourism and the environment. These impacts include the following:

1. The flow of the tributaries of the Maipo River (Yeso, Volcán and Colorado) would be reduced by up to 60%. These rivers are the main source of drinking water for the city of Santiago de Chile, with seven million inhabitants, and for the irrigation of 120,000 hectares of farmland in the region.

2. The project will cause erosion of the Maipo River bed, affecting public and private infrastructure, including drinking water intakes, irrigation, bridges and other waterways.

3. Climate change and desertification, which have caused severe droughts in Chile in recent years, could be exacerbated by the protective role of the Maipo River basin in the local climate and in alleviating air pollution in Santiago, Chile, as a "green corridor".

4. The Cajón del Maipo in Chile is home to the Monumento Glacial Natural Reserve (1994), two Nature Sanctuaries (1995 and 2008), as well as other protected areas of ecological, cultural (palaeontological archaeological remains) and environmental interest that receive millions of visitors each year and could be damaged by the project.

On January 30, 2017, the Superintendence of the Environment announced that it was initiating sanctioning proceedings against Alto Maipo SpA, due to 14 breaches of the environmental conditions approved in the project. Nine of these breaches are considered serious ones. The situations of non-compliance include damage to protected wetlands, unauthorized operation of equipment and heavy machinery in protected areas, use of explosives in excess of established limits, failure to report and reduce damage to local fauna, and illegal disposal of
wastewater. As of June 2020, the sanctioning procedure is in the "Compliance Program in Progress" phase.

On 25 March 2020, organizations opposed to the project reported the melting of a glacier in the area of El Yeso Reservoir, in the municipality of San José de Maipo, which could be caused by explosions in the construction of the El Volcán tunnel, part of the project.

In March 2020, the Committee on Economic, Social and Cultural Rights announced that it would include the Alto Maipo project in the list of issues for Chile's fifth periodic report. The Committee asked the Government about the compatibility of the project with Chile's international obligations in the field of economic, social and cultural rights and with the environmental commitments undertaken in the Paris Agreements.

Without wishing to prejudge the facts alleged, we express our concern that the Alto Maipo Hydroelectric Project would be negatively affecting the availability of water for human consumption and domestic use in the affected areas, in contexts already characterized by climate change and water scarcity. The shortages that the project could also affect the productive capacity of subsistence agriculture in the affected areas, resulting in violations of the right to food and other rights related to the right to an adequate standard of living.

The fact that the Alto Maipo Hydroelectric Project is being carried out without the proper participation of the affected communities, and with significant damage to biodiversity and the environment, could also result in the violation of multiple human rights.

In connection with the above alleged facts and concerns, please refer to the Annex on Reference to international human rights law, which cites international human rights instruments and standards relevant to these allegations. Although we have also conveyed our concerns to the Government of Chile, international human rights law indicates that in its general comment No. 15, the Committee on Economic, Social and Cultural Rights (CESCR) indicated that funders in development cooperation have the legal obligations to ensure that their conduct is consistent with human rights law, and refrain from actions that interfere with the enjoyment of the right to water.

As it is our responsibility, under the mandate provided to us by the Human Rights Council, to seek to clarify all cases brought to our attention, we would be grateful for your observations on the following matters:

1. Please provide any additional information and/or comment(s) you may have on the above-mentioned allegations.

2. Please provide detailed information on the measures taken by the US International Development Finance Corporation to avoid negative impact
on the human rights to water and sanitation in relation to the Alto Maipo Hydroelectric Project, throughout all stages of development of the mega-project: macro-planning, licensing or authorization, planning and design, construction, short-term operation, long-term operation and decommissioning and disaster management.

3. Please provide information about the human rights due diligence policies and processes put in place by your institution to identify, prevent, mitigate and remedy adverse human rights impacts of your activities, in line with the UN Guiding Principles on Business and Human Rights and related standards such as the IFC Performance Standards.

4. Please provide information on the environmental and social impact studies carried out before the construction of the Hydroelectric Project, and whether they were prepared with a human rights approach. In particular, please indicate whether any steps were taken to avoid negative social and cultural impacts on the communities located in the area of the project, including by seeking their free and informed consent prior the approval of the project on their traditional lands.

5. Please provide information about specific due diligence measures taken by your institution before deciding to finance the Alto Maipo Hydroelectric Project. In particular, please highlight how your institution conducted meaningful consultation with affected stakeholders and also how you ensured your clients/project sponsors also engaged in meaningful consultation with those stakeholders.

6. Please describe the measures that your institution has taken, or plans to take, to prevent recurrence of such disasters in the future.

7. Please provide information on steps taken by your institution to establish operational-level grievance mechanisms to address adverse human rights impacts caused by your institution throughout your operations globally.

This communication and any response received will be made public via the communications reporting website within 60 days. They will also subsequently be made available in the report to be presented to the Human Rights Council.

While awaiting a reply, we urge that all necessary interim measures be taken to halt the alleged violations and prevent their re-occurrence and in the event that the investigations support or suggest the allegations to be correct, to ensure the accountability of any person(s) responsible for the alleged violations.

We may publicly express our concerns in the near future as, in our view, the information upon which the press release will be based is sufficiently reliable to indicate a matter warranting immediate attention. We also believe that the wider public should be
alerted to the potential implications of the above-mentioned allegations. The press release will indicate that we have been in contact with you to clarify the issue/s in question.

Please note that letters on the same subject have also been sent to Chile’s Banco de Crédito e Inversiones (BCI), DNB ASA, Governments of Chile, Inter-American Development Bank (IADB), International Finance Corporation (IFC), Itaú CorpBanca Bank, and KfW IPEX-Bank.

Please accept, Mr. Boehler, the assurances of our highest consideration.

Léo Heller
Special Rapporteur on the human rights to safe drinking water and sanitation

Anita Ramasastry
Chair-Rapporteur of the Working Group on the issue of human rights and transnational corporations and other business enterprises

Saad Alfarargi
Special Rapporteur on the right to development

David R. Boyd
Special Rapporteur on the issue of human rights obligations relating to the enjoyment of a safe, clean, healthy and sustainable environment

Michael Fakhri
Special Rapporteur on the right to food
Annex
Reference to international human rights law

In relation to the allegations, without wishing to prejudge the facts alleged, we would like to draw your attention to the explicit recognition of the human rights to drinking water by the United Nations General Assembly (resolution 64/292) and the Human Rights Council (resolution 15/9), which derives from the right to an adequate standard of living protected by both article 25 of the Universal Declaration of Human Rights and article 11 of the International Covenant on Economic, Social and Cultural Rights (ICESCR), ratified by Chile on 10 February 1972.

In connection with the above-mentioned allegations, we would first like to mention the Guiding Principles on Business and Human Rights (A/HRC/17/31). The Guiding Principles were unanimously adopted in 2011 by the Human Rights Council in its resolution (A/HRC/RES/17/31) after years of consultations involving Governments, civil society and the business community.

These Guiding Principles are grounded on the recognition of

(a) States’ existing obligations to respect, protect and fulfil human rights and fundamental freedoms;

(b) The role of business enterprises as specialized organs of society performing specialized functions, required to comply with all applicable laws and to respect human rights;

(c) The need for rights and obligations to be matched to appropriate and effective remedies when breached.

The Guiding Principles have established themselves as the authoritative global standard for business to prevent and address negative business-related impacts on human rights. The responsibility to respect human rights is a global standard of conduct applicable to all enterprises, transnational and otherwise, regardless of size, sector, location, ownership and structure. It exists independently of the capacity and/or willingness of States to meet their own human rights obligations and does not diminish those obligations. It is an additional responsibility to that of complying with national laws and standards for the protection of human rights.

Principles 11 to 24 and Principles 29 to 31 provide guidance to companies on how to fulfil their responsibility to respect human rights and provide remedies where they have caused or contributed to adverse impacts. The commentary to Principle 11 states that "[b]usiness enterprises should not undermine States’ abilities to meet their own human rights obligations ".

The Guiding Principles have identified two main components of the corporate responsibility to respect human rights, which require that business should: “a) Avoid
causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur; (b) Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.”. (Guiding Principle 13).

In order to meet their responsibility to respect human rights, business enterprises should have in place policies and processes appropriate to their size and circumstances, including:

(a) A policy commitment to meet their responsibility to respect human rights;

(b) A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights;

(c) Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute. (Guiding Principle 15)

This process of identifying and assessing actual or potential negative human rights consequences should include meaningful consultation with potentially affected groups and other stakeholders (Guiding Principle 18).

Also, Principle 22 provides that "[w]here business enterprises identify that they have caused or contributed to adverse impacts, they should provide for or cooperate in their remediation through legitimate processes." "Operational-level grievance mechanisms for those potentially impacted by the business enterprise’s activities can be one effective means of enabling remediation when they meet certain core criteria, as set out in Principle 31”. (Commentary on Guiding Principle 22).

We would like to recall the thematic report of the Working Group on the issue of human rights and transnational corporations and other business enterprises to the General Assembly (ref A/73/163). In the report, the Working Group noted that "the Guiding Principles clarify that the responsibility of a business enterprise to respect human rights relates to the adverse human rights impacts to which its operations, products and services are linked in all tiers of its value chain. Moreover, each business enterprise should ensure that its own practices, for example, selling defective parts or unhealthy ingredients, irresponsible purchasing practices, or low-cost, fast-delivery business models, do not contribute to adverse human rights impacts caused by entities in the value chain". Human rights due diligence involves (a) Identifying and assessing actual or potential adverse human rights impacts that the company has caused or contributed to through its activities, or that are directly related to the operations, products or services provided by its business relationships, (b) Integrating the results of impact assessments into relevant company functions and processes, and taking appropriate action in accordance with its involvement in the impact; (d) Communicate how the adverse impacts are addressed and demonstrate to stakeholders - particularly those affected - that appropriate policies and processes are in place to implement respect for human rights in practice.
In its general comment No. 15, the Committee on Economic, Social and Cultural Rights (CESCR) indicated that when States are funders in development cooperation, they have legal obligations to ensure that their conduct is consistent with human rights law, and refrain from actions that interfere with the enjoyment of the right to water.

In the same General Comment, the CESC\_

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According to CESC\_

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Finally, we would like to draw your attention to the 2019 report of the Special Rapporteur on the human rights to drinking water and sanitation (A/74/197), in which he presents a framework for action so that mega-projects contribute to improving people's livelihoods and do not hinder the enjoyment of the human rights to water and sanitation. With the aim of preventing and mitigating the risks associated with such projects and ensuring that they comply with human rights, the Special Rapporteur presents a framework for the mega-project cycle for the realization of the human rights to water and sanitation, which consists of seven stages, each of which has a different impact on access to water and sanitation and the factors that hinder or promote the realization of the human rights to water and sanitation. The report provides a list of questions that serve as...
guidelines for responsible actors, including those financing the project, to fulfil their human rights obligations and responsibilities.